REPORT OF
FINANCIAL EXAMINATION

GENERAL AMERICAN LIFE INSURANCE COMPANY

As Of
December 31, 2002

STATE OF MISSOURI

DEPARTMENT OF INSURANCE

JEFFERSON CITY, MISSOURI

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October 6, 2004
Tampa, Florida

Honorable Kevin M. McCarty, Commissioner
Office of Insurance Regulation
Florida Department of Insurance
Chairman, Financial Condition (E) Committee, NAIC

Honorable Jorge Gomez, Commissioner
Office of the Commissioner of Insurance
State of Wisconsin
Secretary, Midwestern Zone, NAIC

Honorable Scott B. Lakin, Director
Missouri Department of Insurance
301 West High Street, Room 530
Jefferson City, Missouri 65101

Dear Sirs:

In accordance with your financial examination warrant, a full scope financial examination has been made of the records, affairs and financial condition of

General American Life Insurance Company

hereinafter referred to as such or as the "Company." The administrative office is located at 4100 Boy Scout Boulevard, Tampa, Florida 33607, telephone number 813 801-2100. This examination began on June 30, 2003, and concluded on October 6, 2004.

SCOPE OF EXAMINATION

Period Covered

The prior financial examination of General American Life Insurance Company was made as of December 31, 1999.

The current full scope financial examination covers the period from January 1, 2000, through December 31, 2002, and was conducted by examiners from the state of Missouri representing the Midwestern Zone of the NAIC (National Association of Insurance Commissioners) with no other zones participating.

This examination also included material transactions and/or events occurring after December 31, 2002. This includes examination of items included on the 2003 annual statement where that information was deemed to be more pertinent to the current examination.

Procedures

This examination was conducted using the guidelines set forth in the Financial Condition Examiners Handbook of the NAIC, except where practices, procedures and applicable regulations of the Missouri Department of Insurance and statutes of the state of Missouri prevailed.

Comments – Previous Examination

The edited comments and recommendations of the previous examination report dated December 31, 1999, are listed below with the subsequent response or action taken by the Company concerning such comments, recommendations and notes.

1. Comment: Affiliated Companies

Intercompany expense allocations appear to be appropriately handled. However, there is no uniformity in the intercompany accounts among the various companies in the GenAmerica Corporation holding company system. Not all companies include the same items in the intercompany accounts and there is no overall reconciliation of these accounts.

We direct the Company and its affiliates to reconcile their intercompany accounts among all the companies in the holding company system.

Company Response:

The system conversion is currently still in process and is anticipated to be completed by mid-November, 2001. At that time there will be consistent accounting for all intercompany accounts. Once the conversion is finished a full reconciliation will be prepared and forwarded to the department.

Current Findings:

Intercompany accounts appear to be handled in a consistent manner throughout the MetLife holding company system.

2. Comment: Accounts and Records

The Company included accrued interest from Equity Linked Notes in its Investment Income Due and Accrued Account. As noted in the prior examination's Management Letter, there is no guaranteed interest on Equity Linked Notes, the future amount, if any, is based solely on the value of the S & P index on a specific day. Therefore, no interest should be accrued on these assets.

Company Response:

Our investment reporting department states that the equity linked notes for General American Life Insurance Company are not accruing interest. The income due in the future (generally at maturity date) which is tied to a specific index is recorded to the statutory ledger when actually received.

Current Findings:

This no longer appears to be a problem.

HISTORY

General

The Company was incorporated in June 1933 as a stock insurance company and in 1946 reorganized as a mutual life insurance company. In April 1997, with policyholder and Missouri Department of Insurance approval, General American Life Insurance Company reorganized back to a stock company with a mutual holding company structure. GenAmerica Corporation was created as an intermediate stock holding company to serve as a bridge between the General American Mutual Holding Company and General American Life Insurance Company and its subsidiary companies.

On August 10, 1999, General American Life Insurance Company was placed under administrative supervision by the Missouri Department of Insurance because the Company's rating by Moody's Investors Service had been lowered requiring holders of contracts known as "funding agreements" to request withdrawals totaling approximately $5 billion. Withdrawals of this magnitude would have jeopardized the solvency of the Company.

On August 26, 1999, General American Mutual Holding Company entered into a stock purchase agreement providing that Metropolitan Life Insurance Company would acquire GenAmerica Corporation for $1.2 billion. On January 5, 2000, General American Life Insurance Company was removed from administrative supervision by the Missouri Department of Insurance and on January 6, 2000, Metropolitan Life Insurance Company acquired GenAmerica Corporation and its subsidiaries, including General American Life Insurance Company.

Metropolitan Life Insurance Company converted from a mutual life insurance company to a stock life insurance company on April 7, 2000 and became a wholly owned subsidiary of MetLife, Inc. On the date of demutualization, the holding company conducted an initial public offering and concurrent private placements of shares of its common stock at an offering price of $14.25 per share.

MetLife, Inc., through its insurance subsidiaries, is the third largest provider of individual life insurance and annuities in the U.S., with $9.8 billion of total statutory individual life and annuity premium.

The MetLife group is organized into six major business segments: Individual, Institutional, Reinsurance, Auto & Home, Asset Management and International. General American Life Insurance Company is part of the individual business segment.

Capital Stock

The Company is authorized to issue five million shares of common stock with a par value of $1.00 per share. There were three million shares issued and outstanding at December 31, 2002, to the Company's parent GenAmerica Financial Corporation.

Dividends

The following is a complete record of dividends paid since General American Life Insurance Company became a stock company.

YEAR	AMOUNT
1999	40,000,000
2000	-
2001	8,000,000
2002	82,000,000
TOTAL	**$ 130,000,000**

No dividends were paid in 2003.

Management

Both the bylaws and articles of incorporation direct the Company to have no less than nine directors or more than fifteen directors.

At December 31, 2002, there were nine directors serving and on June 18, 2003, a tenth director (Richard Evans) was added. These ten directors are as follows:

Name	**Business Affiliation**
Carl Robert Henrikson	Chairman, President and Chief Executive Officer of General American Life Insurance Company and New England Life Insurance Company and President, U.S. Insurance and Financial Services, Metropolitan Life Insurance Company
Richard D. Evans	Senior Vice President, General American Life Insurance Company
Lisa Merry Weber	Senior Executive Vice President and Chief Administrative Officer of MetLife, Inc. and Metropolitan Life Insurance Company.
Nicholas Donald LaTrenta	Senior Vice President, Metropolitan Life Insurance Company
Stewart Gordon Nagler	Vice Chairman and Chief Financial Officer of MetLife, Inc. and Metropolitan Life Insurance Company
William James Wheeler	Senior Vice President of Metropolitan Life Insurance Company
James Louis Lipscomb	Executive Vice President and General Counsel of MetLife, Inc. and Metropolitan Life Insurance Company
Stanley Jeffrey Talbi	Senior Vice President, Metropolitan Life Insurance Company
Anthony James Williamson	Senior Vice President, MetLife, Inc. and Metropolitan Life Insurance Company
Michael K. Farrell Added in 2003	Senior Vice President, Metropolitan Life Insurance Company

Article IV of the bylaws states that "The board shall elect or appoint a President and a Secretary and may elect or appoint a Chairman, a President, one or more Vice Presidents, a Treasurer and . . .other officers . . ."

The executive officers of the Company at December 31, 2002, were as follows, except that James Bossert replaced Timothy J. Klopfenstin as Vice President and Chief Financial Officer:

NAME	**POSITION**
C. Robert Henrikson New Canaan, Connecticut	Chairman of the Board, President and Chief Executive Officer
James D. Gaughan New Canaan, Connecticut	Secretary
Anthony J. Williamson Summit, New Jersey	Vice President and Treasurer
James P. Bossert Whitehouse Station, New Jersey	Vice President and Chief Financial Officer
Bernard H. Wolzenski St. Louis, Missouri	Executive Vice President
A. Greig Woodring Mifflin, Pennsylvania	Executive Vice President
Richard D. Evans Chesterfield, Missouri	Senior Vice President
Jerome M. Mueller St. Louis, Missouri	Senior Vice President
John E. Petersen Sunset Hills, Missouri	Senior Vice President
James A. Schepis Corapolis, Pennsylvania	Senior Vice President
Deborah J. Walters St. Louis, Missouri	Senior Vice President
Kevin S. Finnegan Brewster, New York	Vice President and Associate General Counsel

William C. Lane St. Louis, Missouri	Vice President and Associate General Counsel
Susan A. Buffum Chatham, New Jersey	Vice President
Donald L. Lambert Chesterfield, Missouri	Vice President
William D. Cammarata Palm Harbor, Florida	Assistant Secretary
James M. Ellis Imperial, Missouri	Assistant Secretary
Joseph J. Massimo Palm Harbor, Florida	Assistant Secretary
John W. Willis St. Louis, Missouri	Assistant Secretary
James W. Koeger St. Louis, Missouri	Assistant Treasurer
Patricia M. Wersching St. Louis, Missouri	Assistant Treasurer

The bylaws of the Company give the board of directors authority to appoint committees, but at this time the Company has no committees.

Conflict of Interest

The Company requires that a conflict of interest disclosure form be signed annually by all directors and appointed officers of the Company. These forms were reviewed for 2000, 2001 and 2003 with no conflicts noted. The Company did not complete any conflict of interest disclosures in 2002 because they were revising their code of conduct and enhancing their business conduct program.

Corporate Records

We reviewed the Company's articles of incorporation and bylaws. Both the bylaws and articles of incorporation have been completely rewritten effective October 24, 2002. The major changes in the bylaws are that now there is only one class of directors to be elected annually. The previous bylaws called for three classes of directors, each class elected for a three-year period and elected in three separate years. The previous bylaws also mandated more officers than the current bylaws. The major change in the articles of incorporation is the removal of any reference to General American Mutual Holding Company and the removal of the reference that policyholders shall share in the profits of the Company.

A review was made of the board of directors' meeting minutes. The minutes appear to properly support and document approval of the major corporate transactions and events for the period under examination. The board accepted the prior examination report.

Acquisitions, Mergers and Major Corporate Events

On January 6, 2000, the parent company of General American Life Insurance Company, GenAmerica Corporation, and all its subsidiaries were acquired by Metropolitan Life Insurance Company for approximately $1.2 billion in cash.

In 2001, MetLife Inc. initiated a "restacking" program. On December 31, 2000, General Life Insurance Company, a Texas life insurance subsidiary of General American Life Insurance Company, acquired all of the outstanding stock of General Life Insurance Company of America, an Illinois life insurance subsidiary of General American Life Insurance Company. On July 31, 2001, General Life Insurance Company of America was merged into General Life Insurance Company. On July 1, 2002, General Life Insurance Company was merged into General American Life Insurance Company.

On December 30, 2002, Metropolitan Life Insurance Company acquired all the outstanding stock of Security Equity Life Insurance Company, a New York subsidiary of General American Life Insurance Company. On October 31, 2003, Security Equity Life Insurance Company was merged into Metropolitan Life Insurance Company.

On December 30, 2002, Metropolitan Life Insurance Company acquired all of the outstanding common stock of Cova Corporation at its appraised fair market value of $277,400,000 generating a capital gain for General American Life Insurance Company of $5,944,617. On this same date, Metropolitan Life Insurance Company contributed all the capital stock of Texas Life Insurance Company, a direct subsidiary of Metropolitan Life Insurance Company, at the estimated book value of $54,300,000 to Cova Corporation. An independent third party appraiser had determined that the fair market value of Texas Life Insurance Company and its subsidiaries at December 30, 2002, was $123,900,000. Next, Cova Corporation was immediately sold to MetLife, Inc. at its fair market value of $401,300,000, generating a realized gain for Metropolitan Life Insurance Company of $69,600,000. These transfers comply with the requirements of SSAP 25 and SSAP 46. Currently Cova Corporation and its four subsidiaries are direct subsidiaries of MetLife, Inc., with no direct affiliation with General American Life Insurance Company.

On December 30, 2002, Metropolitan Life Insurance Company acquired all the outstanding shares of stock of Missouri Reinsurance (Barbados) Inc., a subsidiary of GenAmerica Financial Corporation.

There were numerous other acquisitions, mergers and major corporate events in the MetLife, Inc. holding company system, but only those related to General American Life Insurance Company and its insurance subsidiaries are described above.

Surplus Debentures

On January 27, 1994, the board ratified the issuance of 7.625% surplus notes due January 2024 totaling $107,000,000. The notes were priced to yield investors 7.72% or 130 basis points over the 30-year U.S. Treasury Note. The Bank of New York as paying agent administers the notes. This transaction was approved by the Missouri Department of Insurance. After costs and the establishment of a debt service account of $8,158,750, the issuance of the notes increased surplus by approximately $97 million. Interest on the notes is paid semi-annually with approval by the Missouri Department of Insurance. All interest payments are current and have been paid timely.

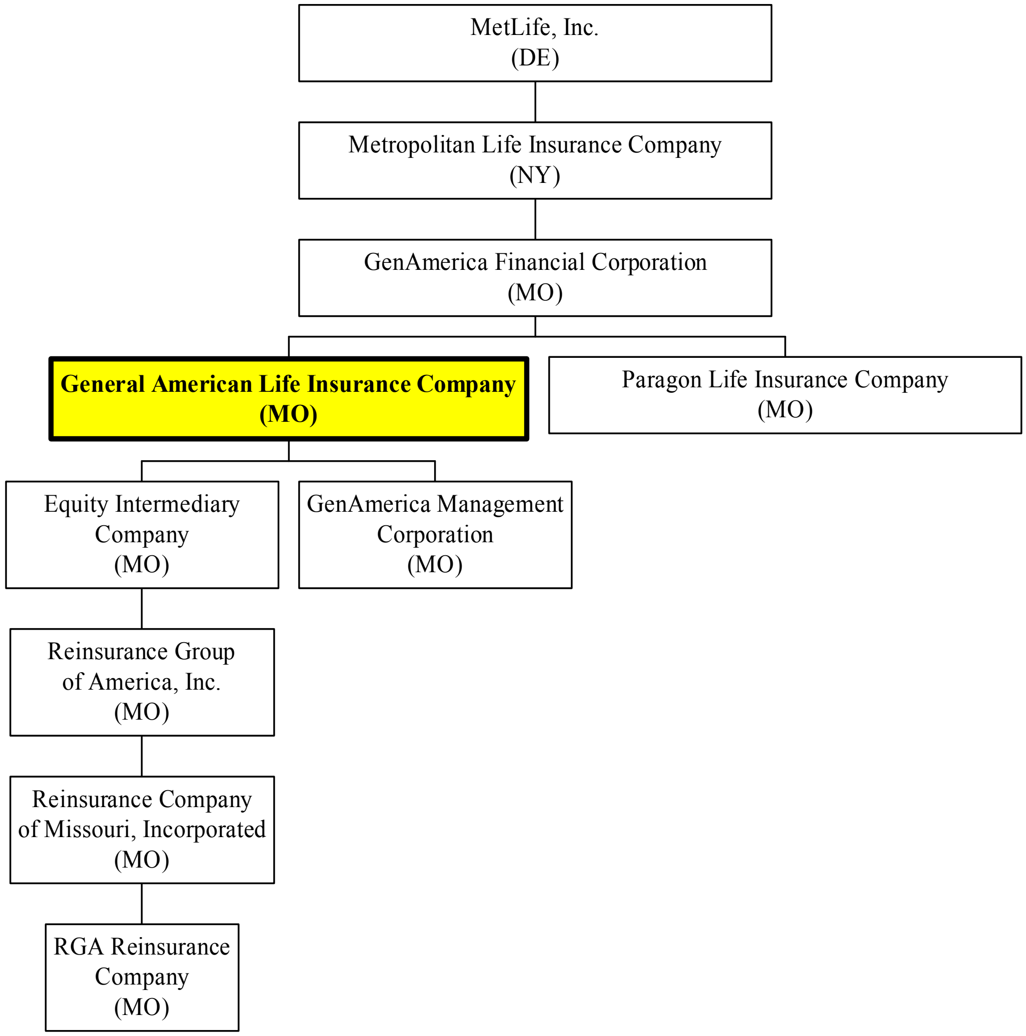
AFFILIATED COMPANIES

Holding Company, Subsidiaries and Affiliates

General American Life Insurance Company is a wholly owned subsidiary of GenAmerica Financial Corporation, which is a wholly owned subsidiary of Metropolitan Life Insurance Company, which is a wholly owned subsidiary of MetLife, Inc.

Organizational Chart

General American Life Insurance Company is part of an insurance holding company as defined by Section 382.010 RSMo (Definitions). A very small segment of the insurance holding company system of MetLife, Inc. is shown below.



Intercompany Transactions

During the period under examination the Company was party to several intercompany agreements. Some of the more significant agreements are listed below:

1.	**Type:**	Participation Agreement
	Parties:	Met Investors Series Trust, Met Investors Advisory, LLC; MetLife Investors Distribution Company (the Underwriter) and General American Life Insurance Company
	Effective:	May 1, 2001

Terms: Met Investors Series Trust is registered as an open-end management investment company and is allowed by the SEC exemptions from certain provisions of the 1940 act to the extent necessary to permit shares to be sold to and held by both variable annuity and variable life insurance separate accounts. Subject to the terms of the Distribution Agreement between the Underwriter and Met Investors Series Trust, the Underwriter agrees to sell to General American Life Insurance Company, those shares of each portfolio which each account orders.

Rate(s): There is no fee or other compensation under this agreement. However each party acknowledges that Met Investors Advisory, LLC may pay service or administrative fees to General American Life Insurance Company and other participating insurance companies pursuant to separate agreements.

2. Type: Marketing and Servicing Agreement (Enterprise Cross Selling)

Parties: New England Life Insurance Company and General American Life Insurance Company

Effective: April 1, 2001

Terms: New England Life Insurance Company will sell General American Life Insurance Company's individual insurance products. An exhibit attached to the agreement sets the products, compensation and allowance payments for the various products including: Universal Life, Personal Lines Pension, Guaranteed Issue Versions, Executive Benefit and Joint and Last Survivor Variable Universal Life, Executive Benefits and Guaranteed Issue Versions, Interest Crediting Whole Life, and Whole Life. A separate schedule exists for single Premium Universal Life Bank Owned Life Insurance.

New England Life Insurance Company shall perform the following underwriting services: risk assessment, obtaining and responding to inquiries, sending appropriate adverse underwriting letters and pursuing facultative reinsurance using General American Life Insurance Company's product pool reinsurers.

Rate(s): General American Life Insurance Company shall pay to New England Life Insurance Company $.70 per thousand of policy face amount (including riders) and a per policy charge for single life cases of $104.60 or for joint life cases of $155.60 for placed business. For policies exceeding $1,000,000 of face amount the charge will be $.34 per thousand and a per policy charge for single life cases of $202 or for joint life cases of $389.

3. Type: Sales Service Agreement

Parties: Metropolitan Property and Casualty Insurance Company and General American Life Insurance Company

Effective: June 21, 2002

Terms: Agents of Metropolitan Property and Casualty Insurance Company, who are licensed to sell life insurance, are appointed as agents for General American Life Insurance Company.

Metropolitan Property and Casualty Insurance Company will provide generalized sales training of the agents and will assist General American

Life Insurance Company personnel in promoting General American Life Insurance Company's polices to these agents. General American Life Insurance Company agrees that Metropolitan Property and Casualty Insurance Company has its own products and those of other affiliated insurers, that these agents may be authorized to sell.

Rate(s): Fees to the agents will be equivalent to the amounts it pays other parties for performing similar services. The agreement contains a commission schedule as well as a bonus schedule.

4. **Type:** Investment Management Agreement

Parties: General American Life Insurance Company and Metropolitan Life Insurance Company

Effective: January 1, 2001

Terms: General American Life Insurance Company appoints Metropolitan Life Insurance Company to provide the services in respect of General American Life Insurance Company's assets. Metropolitan Life Insurance Company has the right to subcontract its performance of any services to any of its affiliates or to any other person, entity or group that is reasonably acceptable to General American Life Insurance Company and to charge General American Life Insurance Company directly for any fees or expenses related to the subcontract.

Rate(s): General American Life Insurance Company will pay to Metropolitan Life Insurance Company an annual fee in quarterly installments in arrears in an amount equal to the product of .25 times the **annual fee rate** times the applicable **asset value**.

Annual fee rate is equal to all expenses, direct and indirect, reasonably and equitably determined by Metropolitan Life Insurance Company to be attributable to General American Life Insurance Company.

Asset value shall be determined as follows:

- For any asset that is not real estate, the value shall be equal to the average of the market values of such assets as of the last day of each month of the quarter to which the determination relates.
- Real Estate Mortgage Loans shall be equal to the aggregate unpaid principal balance of such assets at the last day of the quarter.
- Real Estate Equity and Joint Venture assets shall be equal to the gross market value of such Real Estate equity and Joint Venture at the last day of the quarter.

5. **Type:** Tax Sharing Agreement

Parties: General American Life Insurance Company, Reinsurance Group of America, Incorporated and St. Louis Reinsurance Company (now called RGA Reinsurance Company)

Effective: January 15, 1993

Terms: General American Life Insurance Company, Reinsurance Group of America, Incorporated and RGA Reinsurance Company will file a consolidated tax return and will preserve to the extent possible, the economic benefits and detriments, which would accrue to the parties if they were to file separate income tax returns rather than a consolidated return.

Rate(s): Attorneys fees or other costs incurred by General American Life Insurance Company in the course of defending against any tax authority, tax positions taken in General American Life Insurance Company's consolidated income tax return or returns for the consolidation period shall be borne by General American Life Insurance Company. If General American Life Insurance Company desires to settle any proposed adjustment and if such settlement would increase the tax liability of a member of the RGA Group by more than $50,000 for any tax year then General American Life Insurance Company shall first furnish a notice.

6. **Type:** Administrative Services Agreement

Parties: RGA Reinsurance Company and General American Life Insurance Company

Effective: January 1, 1997

Terms: General American Life Insurance Company shall provide the following services for Bank Owned Life Insurance (BOLI) reinsured by RGA Reinsurance Company:

- General American Life Insurance Company will review, approve and/or make recommendations to the census within defined guarantee issue parameters.
- General American Life Insurance Company will build the policy administration records and prepare the master policy documents within 90 days from receipt of monies.
- General American Life Insurance Company will perform the necessary accounting to record all premium payments.
- General American Life Insurance Company will be the in force policy administrator.
- General American Life Insurance Company will provide cash flow testing, quarterly reports, annual statement date, experience analysis, interest crediting rate analysis and a monthly billing statement.

Rate(s):

Acquisition Expenses	$5,000 per case
Inforce Administration	$.40 per policy per month, plus .02% (annualized rate) times the Fund Value of the Policies
Product Management	.05% (annualized rate) times the Fund Value of the Policies

7. **Type:** Partnership Agreement – Intermediate Income Pool

Parties: Metropolitan Life Insurance Company, General American Life Insurance Company, Metropolitan Insurance and Annuity Company, First MetLife

Investors Insurance Company (NY), MetLife Investors Insurance Company, MetLife Investors Insurance Company of California, MetLife Investors USA Insurance Company, Metropolitan Tower Life Insurance Company, New England Life Insurance Company and Texas Life Insurance Company

Effective: February 1, 2002 - Approved by Missouri Department of Insurance on May 22, 2002.

Terms: This is the formation of a general partnership called MetLife Intermediate Income Pool. The exclusive purpose of the partnership is to invest and reinvest the cash and assets of the partners to achieve liquidity, safety of principal and yield by investing in debt and equity securities of various issuers. Metropolitan Life Insurance Company is designated as the manager of the partnership. The partnership shall hold its assets solely for the benefit of each partner in proportion to each partner's pro rata share of the partnership's assets.

8. Type: Guarantee Agreement

Parties: General American Life Insurance Company and Paragon Life Insurance Company

Effective: June 13, 1991

Terms: This is a guarantee that Paragon Life Insurance Company will have sufficient funds to meet all of its contractual obligations

9. Type: Amendment to Tax Sharing Agreement

Parties: General American Life Insurance Company and its affiliates

Effective: January 7, 2000

Terms: General American Life Insurance Company expects to file consolidated federal income tax returns with subsidiaries. Each subsidiary will pay to General American Life Insurance Company that percentage of the federal consolidated income tax liability which the federal income tax of such subsidiary if computed on a separate return basis would bear to the total amount of the federal income taxes for all members of the group.

10. Type: Service Agreement

Parties: Metropolitan Life Insurance Company and its affiliates

Effective: January 1, 1978 – Amended to include General American Life Insurance Company and its subsidiaries on May 22, 2000

Terms: Metropolitan Life Insurance Company desires that it provide for a portion of the overall liquidity needs of the insurance subsidiaries to enable the insurance subsidiaries to invest their portfolios prudently on a long-term basis. The following services are to be provided:

- Legal
- Communications
- Human Resources

- General Management
- Controller
- Investment Management
- Actuarial
- Treasury
- Benefits Management
- Information Systems and Technology
- General

Rate(s): A charge equal to all expenses, direct and indirect, reasonably and equitably determined by Metropolitan Life Insurance Company.

These agreements were all filed with the Missouri Department of Insurance and were not disapproved.

FIDELITY BOND AND OTHER INSURANCE

MetLife, Inc. carries insurance coverage for itself and all its subsidiaries. Crime Coverage totals $60,000,000 in the aggregate and is provided by several companies. The first layer covers the holding company system for $20,000,000 per loss excess of $5,000,000 retained. The next layer covers $30,000,000 per loss in excess of the first $20,000,000. Both layers cover double the amount in the aggregate per year. The recommended minimum coverage amount per the NAIC for General American Life Insurance Company is $3,500,000 and the deductible renders this entire amount uninsured. We discussed this problem with the Company directing them to obtain assurance from its parent to indemnify for losses under $5,000,000. The Company response to this was as follows:

> *General American is strongly capitalized, as demonstrated by a year-end 2003 RBC ratio of 266%. Further, General American estimates that reducing the fidelity bond deductible would cost approximately an additional $40,000 annually. If the full $5,000,000 deductible were to be incurred, General American would still remain well capitalized, with an RBC ratio of approximately 265%. Due to the factors detailed above, General American's management does not believe a lower deductible is cost justified.*

The Company is also a named insured on numerous other policies, including property insurance, directors' and officers liability, excess liability, casualty excess, workers' compensation and employers' liability insurance. The Company appears to have adequate coverage for protection of its assets.

PENSION, STOCK OWNERSHIP AND INSURANCE PLANS

The Company has no employees. All personnel services are provided through an intercompany services agreement. The personnel are employed by MetLife Group, a subsidiary of Metropolitan Life Inc. The employees receive a comprehensive benefit package, which includes health and life insurance, paid time off, educational benefits, a defined benefit plan and various savings options.

STATUTORY DEPOSITS

Deposits with the State of Missouri

The funds on deposit with the Missouri Department of Insurance as of December 31, 2002, as reflected below, were sufficient in par and market value to meet the deposit requirement for the state of Missouri in accordance with Section 376.290 RSMo (Trust deposits).

TYPE OF SECURITY	PAR VALUE	MARKET VALUE	STATEMENT VALUE
U.S. Treasury Note	$ 5,000,000	$ 5,673,450	$ 5,202,453

Deposits with Other States

The Company has funds on deposit with Canada and a number of other states. Those funds on deposit as of December 31, 2002, were as follows:

STATE	TYPE OF SECURITY	PAR VALUE	MARKET VALUE	STATEMENT VALUE
Georgia	Various	$ 90,000	$ 91,666	$ 89,813
New Mexico	U.S. Treasury Notes	105,000	119,142	109,850
North Carolina	U.S. Treasury Notes	125,000	139,805	129,645
Oklahoma	U.S. Treasury Notes	125,000	141,836	129,754
Texas	Various	4,919,000	5,474,428	5,111,931
Virginia	U.S. Treasury Notes	460,000	499,966	470,826
Canada	Various	1,225,332,881	433,826,657	445,584,202
	TOTALS	$ 1,231,156,881	$ 440,293,500	$ 451,626,021

INSURANCE PRODUCTS AND RELATED PRACTICES

Territory and Plan of Operations

The Company is licensed in the District of Columbia, Puerto Rico, Canada and all states except New York. The Company is licensed in Missouri under Chapter 376 RSMo (Life and Accident Insurance) to write life, accident and health insurance and annuities.

The Company distributes its products and services through a nationwide network of general agencies and independent brokers and dealers. At year-end 2002 the Company's distribution system included 990 independent general agencies, 570 brokerage agencies and 215 agencies associated with national marketing organizations. The Company concentrates on four major lines of business: individual products, group life, group pensions and reinsurance. The Company has approximately 325,000 individual life insurance policies in force and approximately 1,900 group policies covering roughly two million employees and dependents.

Policy Forms & Underwriting; Advertising & Sales Materials and Treatment of Policyholders

The Missouri Department of Insurance has a market conduct staff, which performs a review of these issues and generates a separate market conduct report. The most recent Market Conduct Examination report released by the Missouri Market Conduct Division was in October 2002. The report did not disclose any items having a significant impact on the financial condition of the Company.

The Company has a complaint system in place and appears to handle complaints in a timely manner.

REINSURANCE

The Company's premiums on a direct written and ceded basis for the current examination period were as follows:

	2002	**2001**	**2000**
Direct Business	$1,099,969,612	$1,004,078,129	$1,071,002,206
Reinsurance Assumed	414,909,893	134,691,919	93,781,102
Reinsurance Ceded	(862,517,174)	(379,011,225)	(530,540,087)
Net Premiums	$652,362,331	$759,758,823	$634,243,221

Assumed

Gross premiums assumed for the three years under examination were:

	2002	**2001**	**2000**
Life	$414,709,251	$134,672,267	$88,696,106
Accident & Health	200,642	19,652	5,084,996
Total	$414,909,893	$134,691,919	$93,781,102

Almost all reinsurance assumed from unaffiliated companies is administered by General American Life Insurance Company's subsidiary, RGA Reinsurance Company. The greatest proportion of reinsurance assumed is from RGA Life Reinsurance Company of Canada, an affiliate. This business is then 100% retroceded to RGA Reinsurance Company. The Company refers to this as Canadian "pass through" business. The primary reason that the business "passes through" General American Life Insurance Company is that General American Life Insurance Company is licensed in Canada and RGA Reinsurance Company is not licensed in Canada.

Ceded

General American Life Insurance Company's reinsurance program has evolved over time. At year-end 2002, the retention level was 10% of the face value of the policy up to a maximum of $2.5 million per life, graded by product, issue age, and rating. General American Life Insurance Company's maximum reinsurance coverage provided on an automatic basis has also changed over time and is currently $35 million maximum automatic binding limit and $50 million maximum jumbo binding limit, graded by reinsurance arrangement, issue age, rating, and risk type.

For risks in excess of the automatic reinsurance coverage limits, General American Life Insurance Company submits cases facultatively to reinsurers. If General American Life Insurance Company is not able to obtain enough capacity through internal retention and external reinsurance, the case could be issued for the maximum capacity available or the case would not be issued.

We reviewed several of the Company's reinsurance agreements and they all appear to have the required clauses and safeguards. Though General American Life Insurance Company has hundreds of reinsurance agreements in place there are four major reinsurers that accounted for 81.96% of the life premium ceded in 2002; London Life International Reinsurance Company (Bermuda), Exeter Reassurance Company Ltd. (Bermuda), RGA Reinsurance Company.

Gross premiums ceded for the three years under examination were:

	2002	**2001**	**2000**
Individual Life	$506,016,676	$279,417,267	$317,219,375
Annuities	325,928,475		
Group Life	5,231,202	77,393,584	59,439,943
A & H	25,340,821	22,200,374	153,880,769
Total	$862,517,174	$379,011,225	$530,540,087

ACCOUNTS AND RECORDS

The Company's financial statements are audited annually by Deloitte & Touche, LLP. MetLife Inc. also has an active internal audit staff. We reviewed the 2002 Deloitte & Touche audit work papers and several internal audit reports. These work papers and reports were used in the course of this examination as deemed appropriate. The Information Systems Examination Specialist with the Missouri Department of Insurance completed an electronic data processing controls audits and concluded that systems controls appear reasonable.

Reserves and related actuarial items are reviewed and certified by Timothy J. Klopfenstein, FSA, Vice President of MetLife Group, a subsidiary of MetLife, Inc., the ultimate parent of General American Life Insurance Company. Consulting actuary, Leon L. Langlitz, FSA, MAAA, Vice President of Lewis & Ellis, Inc., was retained by the Missouri Department of Insurance to review the adequacy of claims payable and other related liabilities.

The MetLife holding company system is very decentralized. Financial records are kept in numerous locations all across the United States, and because of this it can be very difficult for anyone in the Company to locate detailed documentation. Some requests that have been made as long ago as six months have still not been answered satisfactorily. There did not appear to be any lack of cooperation on the part of Company personnel. They had difficulty in locating appropriate records for our requests. Company personnel indicate that some of this is due to the fact that after the purchase of General American Life Insurance Company by Metropolitan Life Insurance Company, there was a transition period to integrate the General American Life Insurance Company systems into those of Metropolitan Life Insurance Company. There still are areas in transition. During this transition, some documentation was not maintained. For example, detailed depreciation of real estate only goes back to the merger of the records.

The Company is in violation of 20 CSR 200-4.010 (Books, Records, Accounts and Vouchers), both paragraph (3) “Location of Files,” which states, “All financial books, records and accounts necessary for the annual statement of a Missouri insurer must be kept in a central location" and paragraph (4) "Time Limits," which states, "The insurer shall provide, within five (5) working days, any record requested by any duly appointed financial examiner . . ." Our contact people at the Company reacted to our requests immediately, but the complex structure of the organization and the far from smooth transition of records from St. Louis to other locations, made locating documentation a daunting task, sometimes taking several months.

SUBSEQUENT EVENTS

On May 10, 2004 the Company received a "Wells Notice" from the Securities and Exchange Commission (SEC) charging the Company with late trading. This letter advised that the staff of the SEC intends to recommend that the Commission authorize the filing of a civil injunctive action against General American Life Insurance Company, alleging that General American Life Insurance Company violated Section 17(s) of the Securities Act of 1933; Section 10 (b). The Company provided a defense on June 30, 2004. Company management feels that due to various reasons they are not guilty of the charges against them. The outcome of this issue is not known at this time, but it does not appear that solvency will be impaired regardless of the outcome.

FINANCIAL STATEMENTS

The following financial statements, with supporting exhibits, present the financial condition of the Company as of December 31, 2002, and the results of operations for the year then ended. Any examination adjustments to the amounts reported in the annual statement and/or comments regarding such are made in the "Notes to the Financial Statements" which follow the financial statements. (The failure of any column of numbers to add to its respective total is due to rounding or truncation.)

There may have been additional differences found in the course of this examination, which are not shown in the "Notes to the Financial Statements." These differences were determined to be immaterial concerning their effect on the financial statements, and therefore were only noted in the work papers for each individual annual statement item.

ASSETS

		ASSETS	NON-ADMITTED & EXAM. CHANGES	NET ADMITTED ASSETS
Bonds		5,510,425,842		5,510,425,842
Preferred stocks		17,659,073		17,659,073
Common stocks		638,022,801		638,022,801
Mortgage loans on real estate - first liens		645,720,198		645,720,198
Mortgage loans on real estate - other than first liens		297,973		297,973
Properties occupied by the company		59,838,466		59,838,466
Properties held for the production of income		44,129,203		44,129,203
Properties held for sale		25,296,722		25,296,722
Policy loans		1,622,087,810		1,622,087,810
Cash and short-term investments		332,197,118		332,197,118
Other invested assets		57,496,740	3,703,027	53,793,713
Receivable for securities	**Note 1**	86,535,583	86,463,229	72,354
Swap market value adjustments		66,210,109		66,210,109
Amounts recoverable from reinsurers		13,522,529		13,522,529
Commissions and expense allowances due		15,800,172		15,800,172
Experience rating and other refunds due		1,496,533		1,496,533
Other amounts receivable under reinsurance contracts		11,022,229		11,022,229
Electronic data processing equipment and software		12,009,024	10,386,013	1,623,011
Federal and foreign income tax recoverable		66,940,057		66,940,057
Guaranty funds receivable or on deposit		4,154,826		4,154,826
Life insurance premiums and annuity considerations deferred and uncollected		58,779,951	462,516	58,317,435
Accident and health premiums due and unpaid		(1,996,707)		(1,996,707)
Investment income due and accrued	**Note 3**	96,498,080	14,485,333	82,012,747
Amounts receivable relating to uninsured accident and health plans		1,648,145		1,648,145
CSV of company insured deferred compensation		59,753,394	29,243,661	30,509,733
Amounts due from reinsurance assumed		8,699,883		8,699,883
Receivable for guaranteed separate accounts		(10,159,250)		(10,159,250)
Other assets		11,195,502	2,515,297	8,680,205
From Separate Accounts statement		2,876,426,286		2,876,426,286
Total		**$ 12,331,708,292**	**$ 147,259,076**	**$ 12,184,449,216**

LIABILITIES, SURPLUS AND OTHER FUNDS

Aggregate reserve for life contracts		$ 6,814,935,633
Aggregate reserve for accident and health contracts		57,259,743
Liability for deposit-type contracts		304,300,070
Contract claims - life		32,585,792
Contract claims - accident and health		7,660,064
Policyholders' dividends and coupons due and unpaid		723,938
Provisions for policyholders' dividends payable		202,100,691
Premiums and annuity considerations received in advance		3,083,924
Provision for experience rating refunds		(315,531)
Other amounts payable on reinsurance		1,939,087
Commissions to agents due or accrued		1,710,156
General expenses due or accrued		10,394,015
Transfers to separate accounts due or accrued		(28,211,650)
Taxes, licenses and fees due or accrued		9,000,798
Federal and foreign income taxes due or accrued		55,891,048
Unearned investment income		33,591,352
Amounts withheld or retained by company as agent or trustee		729,837,215
Remittances and items not allocated		10,587,362
Net adjustment in assets and liabilities due to foreign exchange rates		146,317,458
Liability for benefits for employees and agents		915,164
Borrowed money		24,667,979
Asset valuation reserve		65,946,536
Reinsurance in unauthorized companies		9,169,752
Payable to parent, subsidiaries and affiliates		10,590,671
Drafts outstanding		151,797
Funds held under coinsurance		73,649,196
Payable for securities	**Note 2**	4,064,317
Other obligations due and unpaid		17,291,257
Interest payable on surplus note		8,158,750
Legal contingency reserve		47,995,439
Separate account seed money		2,858,927
From Separate Account statement		2,873,567,359
Total Liabilities		**$ 11,532,418,309**
Common capital stock		3,000,000
Surplus Notes		110,739,427
Gross paid in and contributed surplus	**Note 4**	459,669,232
Unassigned funds (surplus)	**Notes 1, 2, 3 and 4**	78,622,248
Total Capital and Surplus		**$ 652,030,907**
Total Liabilities, Capital and Surplus		**$ 12,184,449,216**

SUMMARY OF OPERATIONS

Premiums and annuity considerations for life and accident and health contracts	$ 652,362,331	
Considerations for supplementary contracts with life contingencies	2,095,810	
Net investment income earned	499,060,711	
Amortization of interest maintenance reserve	(8,792,483)	
Separate Accounts net gain from operations excluding unrealized gains or losses	(418,196)	
Commissions and expense allowances on reinsurance ceded	174,622,453	
Reserve adjustments on reinsurance ceded	103,779,785	
Income from fees associated with investment management, administration and contract guarantees from separate accounts	23,782,393	
Charges and fees for deposit-type contracts	490,686	
Other income	27,248,945	
Legal expenses	(53,000,000)	
TOTAL REVENUES		$ 1,421,232,435
Death benefits	170,894,583	
Matured endowments	1,033,716	
Annuity benefits	22,754,818	
Disability benefits and benefits under accident and health contracts	22,438,840	
Surrender benefits and withdrawals for life contracts	432,719,656	
Interest and adjustments on contracts or deposit-type contract funds	17,332,033	
Payments on supplementary contracts with life contingencies	(297,110)	
Increase in aggregate reserves for life and accident and health contracts	342,120,600	
Commissions on premiums, annuity considerations, and deposit-type contracts	112,599,013	
Commissions and expense allowances on reinsurance assumed	49,618,800	
General insurance expenses	224,103,290	
Insurance taxes, licenses and fees	15,279,431	
Increase in loading on deferred and uncollected premiums	(6,846,545)	
Net transfers to or (from) Separate Accounts	46,878,075	
Reserve adjustment on reinsurance assumed	(184,448,883)	
Foreign exchange adjustment	23,520,469	
Increase in other reserves	609,082	
Supplemental contract payable	29,145	
TOTAL EXPENSES		1,290,339,013
NET GAIN FROM OPERATIONS		**$ 130,893,422**
Dividends to policyholders	201,940,513	
Federal and foreign income taxes incurred	(80,012)	
Net realized capital (gains) or losses	20,160,453	
SUB-TOTAL		222,020,954
NET INCOME/(LOSS)		**$ (91,127,532)**

NOTES TO FINANCIAL STATEMENTS

Note 1	**Receivable for Securities**	**$72,354**
Note 2	**Payable for Securities**	**4,064,317**

Receivable for Securities was overstated by $86,463,229 and Payable for Securities was overstated by $12,198,407 due to various incorrect entries. The largest of these errors was $64,949,314 included as an offsetting entry for Funds Held Under Coinsurance. The actual offset for Funds Held Under Coinsurance is included with Bonds. The Company holds the assets that offset the liability. Thus the asset was counted twice. It should be noted that the Company caught these errors and at year-end 2003 all the corrections had been made.

Note 3	**Investment Income Due and Accrued**	**$82,012,747**

This item was reduced by $14,485,333 as this amount represents non-admissible accrued mortgage loan interest, which was incorrectly included at this line. The Company reversed the amount out in 2003.

Note 4	**Gross Paid In and Contributed Surplus**	**$459,669,232**

When General Life Insurance Company of America was merged into General Life Insurance Company and General Life Insurance Company was merged into General American Life Insurance Company, errors were made in the treatment of Gross Paid In and Contributed Surplus and Unassigned Funds. Thus a reclassification of $57,256,004 was made between these two lines increasing Gross Paid In and Contributed Surplus and decreasing Unassigned Funds by that amount. The Company made the reclassification effective with the September 30, 2003 quarterly statement.

EXAMINATION CHANGES

Total Capital and Surplus per Company, December 31, 2002

Common capital stock				$ 3,000,000
Surplus notes				110,739,427
Gross paid in and contributed surplus				402,411,228
Unassigned funds (surplus)				224,630,407
TOTAL CAPITAL AND SURPLUS				740,781,062
		INCREASE IN SURPLUS	**DECREASE IN SURPLUS**	
Assets				
Receivable for securities	**Note 1**		86,463,229	
Investment income due and accrued	**Note 3**		14,485,333	
Liabilities				
Payable for securities	**Note 2**	12,198,407		
Gross paid in and contributed surplus	**Note 4**	57,258,004		
Unassigned funds	**Note 4**		57,258,004	
TOTALS		69,456,411	158,206,566	
Net Change				(88,750,155)

Total Capital and Surplus Per Examination, December 31, 2002

Common capital stock		3,000,000	
Surplus notes		110,739,427	
Gross paid in and contributed surplus		459,669,232	
Unassigned funds (surplus)		78,622,248	-
TOTAL CAPITAL AND SURPLUS			**$ 652,030,907**

GENERAL COMMENTS AND/OR RECOMMENDATIONS

Fidelity Bond and Other Insurance **Page 17**

The MetLife insurance holding company system has Fidelity Bond coverage that meets the NAIC suggested minimum. However, the fidelity bond has a $5 million deductible. The recommended minimum coverage per the NAIC for General American Life Insurance Company is $3,500,000 and the deductible renders this entire amount uninsured. We direct the Company to obtain assurance from its parent to indemnify for losses under $5 million.

Accounts and Records **Page 22**

The MetLife holding company system is very decentralized. Financial records are kept in numerous locations all across the United States, and because of this it can be very difficult for anyone in the Company to locate detailed documentation. Some requests that have been made as long ago as six months have still not been answered satisfactorily. We were advised in some instances that the information was non-existent. Although there did not appear to be any lack of cooperation on the part of Company personnel, they had difficulty in locating appropriate records for our requests. Company personnel indicate that some of this is due to the transition to integrate the General American Life Insurance Company systems into those of Metropolitan Life Insurance Company. There still are areas in transition. During this transition, some documentation was not maintained. For example, detailed depreciation of real estate only goes back to the merger of the records.

The Company is in violation of 20 CSR 200-4.010 (Books, Records, Accounts and Vouchers), both paragraph (3) "Location of Files," which states, "All financial books, records and accounts necessary for the annual statement of a Missouri insurer must be kept in a central location."

We direct the Company to centralize its financial records so that an adequate audit trail exists for all items on the annual statement. This could significantly reduce the costs of future financial examinations.

ACKNOWLEDGMENT

The assistance and cooperation extended by various employees of the General American Life Insurance Company during the course of this examination are hereby acknowledged and appreciated. In addition to the undersigned, Daniel P. Callahan, CPA, CFE; James M. Simmerman, CFE; Karen J. Milster, CPA, CFE; Rick A. Stamper, CFE; John M. Boczkiewicz, CPA, CFE and Andrew T. Balas, AES, CFE, CPA, examiners for the Missouri Department of Insurance participated in this examination.

VERIFICATION

State of Missouri)
) ss
County of Cole)

I, Christiana Dugopolski, on my oath swear that to the best of my knowledge and belief the above examination report is true and accurate and is comprised of only facts appearing upon the books, records or other documents of the Company, its agents or other persons examined or as ascertained from the testimony of its officers or agents or other persons examined concerning its affairs and such conclusions and recommendations as the examiner finds reasonably warranted from the facts.

____
Christiana Dugopolski, CPA, CFE
Examiner-in-Charge
Missouri Department of Insurance
Midwestern Zone, NAIC

Sworn to and subscribed before me this ______ day of _________, 2004.

My commission expires:

______________________ ____
Notary Public

SUPERVISION

The examination process has been monitored and supervised by the undersigned. The examination report and supporting work papers have been reviewed and approved. Compliance with NAIC procedures and guidelines as contained in the Financial Condition Examiners Handbook has been confirmed.

____
J. Douglas Conley, CFE, FLMI, CIE, AIAF, ARe
Audit Manager - St. Louis
Missouri Department of Insurance
Midwestern Zone, NAIC